

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8203

BILL NUMBER: HB 1962

DATE PREPARED: Jan 23, 1999

BILL AMENDED:

SUBJECT: Petition and remonstrance procedures.

FISCAL ANALYST: Bob Sigalow

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FUNDS AFFECTED: **GENERAL
DEDICATED
FEDERAL**

IMPACT: Local

Summary of Legislation: This bill provides that the petition and remonstrance provisions do not apply to a proposal to issue debt or enter into a lease for a project that would otherwise be a controlled project if the fiscal body of the political subdivision determines in a public hearing that: (1) the proposed project must be undertaken to comply with a specific requirement that a court order holds is mandated by federal law; and (2) there is not a reasonable alternative to the proposed project that has a lower cost than the proposed project and that would satisfy the specific requirements of the court order. The bill also provides for a petition of the fiscal body's determination to the State Board of Tax Commissioners.

(Current law exempts from the petition and remonstrance provisions a project that is required by a court order holding that a federal law mandates the project.)

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, the issuance of public debt of \$2 million or more by a local governmental unit or school corporation is subject to a petition and remonstrance procedure. It takes the lesser of 250 or 10% of the property owners' signatures to invoke the process. Property owners may then sign either the petition (in favor of) or the remonstrance (against), with the greater number of signatures prevailing.

If defeated, a unit must wait at least one year before it may begin the process again for the defeated project. If the project is not defeated, the unit must still obtain approval for the project from the State Tax Board.

Under current law, a project that is required by a court order holding that a federal law mandates the project is exempt from this process. Under this proposal, these projects would be exempt only if the local unit or school corporation, in a public hearing, determines that the project is subject to such a court order **and** that there is no reasonable less costly alternative to the proposed project that would satisfy the court order.

The determination of the local unit or school corporation could be appealed to the State Tax Board if petitions by ten or more taxpayers are filed with the county auditor within fifteen days after the determination is made. The unit could not advertise for or receive bids until after the fifteen day appeal period (if an appeal is not filed) or while an appeal is pending before the State Tax Board.

This bill could reduce the scope and cost of some projects under federal mandate if any of these types of projects currently exceed the court's requirements. The bill could also delay a project while the unit's determination is under appeal to the Tax Board.

The actual fiscal impact depends on local action.

State Agencies Affected: State Board of Tax Commissioners.

Local Agencies Affected: Local civil units and school corporations; County auditors.

Information Sources: